

To: Renewable Advisory Board

From: Janice McClanaghan,
Energy Office

Date: August 3, 2004

Subject: Update

The following is the August 2004 monthly update for the Renewable Energy Fund:

Supply Programs

Wind

- 1) URI – URI Assistant Vice President for Business Services Vernon Wyman (who heads up Operations for the Campus) and David Lamb met with Jeff Keeler of Community Energy to discuss the market for RECs and third party ownership structures for the URI wind project. The meeting was productive and Wyman now has a better idea of the options for financing a project. Wyman favors a larger wind turbine (1 or even 1.5 mW) over a smaller unit because the economics are better. With respect to siting, Lefteris Pavlides of Roger Williams University is leading a site analysis effort by URI landscape architecture students. The site analysis will be presented in the form of a large map that will graphically depict the relevant characteristics of each of the proposed sites in way that will make it easy for decision makers to compare and contrast the specifics of each site. The site analysis will be presented to the URI Master Plan Review Committee in September.
- 2) JWU – RISEO sent a letter to JWU stating the support of RISEO and the Fund for the proposed project at Fields Point.
- 3) Portsmouth Abbey Wind – Internal analysis of the siting and economics of a 250 kW and larger machines continue.

Wave

- 4) Energetech – URI has completed Phase 1 of the wave and ocean bottom studies and delivered results to the developer. The Fund has been invoiced for about \$50,000 of the total grant of \$100,000. The balance will go toward a second phase of wave and ocean bottom studies. A third phase, which will consist of geotechnical surveys, may require an additional grant of up to \$20,000.
Energetech and its lawyers are still in the process of investigating the implications of FERC alternate licensing procedure versus the CRMC process which previously was believed to be the framework under which the wave project would be permitted. The developer is working on determining, and will report to the Fund shortly, the changes to the permitting process as originally intended under CRMC. The update will include a process diagram that details the steps that must be taken with each agency, the timing, new studies or consulting required under the FERC process, and the net new costs for permitting under the FERC process.

PV

- 5) Solar on Schools – The Fund received one bid for the Solar on Schools RFP (to install systems at 2 schools). Solar Wrights bid \$21,354 for a 2100 watt system at Scituate, and \$20,794 for a 2100 watt system at Wheeler. These are systems that are to receive the data acquisition system (supplied by Heliotronics under a recent bid). Entech will communicate the results of the bids to the schools and get a commitment from them to accept the projects. Pending acceptance by the schools, Solar Works will be contracted with to install the systems.

- 6) PV RFP – The request for quotation for RECs from the Chariho project has been sent out to potential bidders. CSG is in the process of negotiating with their potential hosts, seven municipal sites, to shorten the list to 4 by asking for a cash contribution from the hosts.
- 7) High School Votek RFP: The RFP was issued and one bid was received. The bid seems high and Entech is going through Q and A before making a determination whether or not to recommend acceptance of the bid. Adult Votek RFP: The RFP was issued and two bids were received. The bids are being evaluated.
- 8) Site Assessments were conducted by Entech Engineering for: Hyatt (PV, Wind, SDHW), Spiers (PV, SDHW), RIRR (PV, WECS, Solar Thermal), Marcus (PV, SDHW).
- 9) Roger Williams Park Botanical Gardens – The Botanical Gardens buildings are being updated using sustainable architecture and the foundation director is interested in PV for the renovated building.

Hydro

- 10) Royal Mills Hydro Feasibility Study –The engineer being contracted with for the feasibility study (John Lavigne of the H. L. Turner Group) reported that the dam is in good shape, with no misalignment or leakage. Based on the measured flows in the river, he is estimating that a 200 to 230 kW hydro turbine-generator unit can be installed for run of river operation (the nameplate of the original equipment either is missing or does not have the size of the unit). The FERC license was surrendered a while back. The plan with respect to regulatory requirements is to seek an exemption from FERC and settle with the state regulatory agencies since their requirements are spelled out clearly in the licenses for the rest of the projects on that stream. The key points of the regulatory requirements will be to maintain 30 cfs in the stream bypass reach and piggyback historical and wetlands compliance with that of the rest of the real estate development project, as the mill complex is built around the hydro project.
- 11) Slater Mill – Chris Warfel and Pat Condon conducted a site assessment of Slater Mill and determined that a 25 kW unit could be installed for \$250,000, with a payback of 10 or so years.

Biodiesel

- 12) Concord Seafoods/Rome Packing Company Biodiesel Project – The project host is continuing the internal analysis of the project, particularly the permitting issues and whether it is necessary to refine the fuel. An initial check with PP&L and Bob Grace seems to indicate that the RECs generated by the renewable portion of the 50% biodiesel project could be sold to green power consumers.
- 13) Packard Wood Products – The Fund has received an expression of interest in grant funding for a 300 kW biodiesel project with an estimated cost of \$165,000.

Customer Demand Programs

- 14) Renewable Energy Customer Aggregation (RECA) RFP and Proposal to Large Customer Program: Community Energy has supplied a term sheet and draft contracts to the RECA Aggregation participants. The RECA Aggregation has not “stepped up for” the minimum commodity CFD MWH by Community Energy (CEI) to make the deal work. Think Energy is planning to approach the larger RECA group, TEC RI and a couple of close contacts at other large organizations to get one more partner for about 8,500 MWH or more. Once the

entire quantity of CFD MWH is spoken for, a counter offer will be proposed to CEI and hopefully a deal will be negotiated by late August or early September. Bob Grace will provide an update at the August 10, 2004 Advisory Board meeting.

- 15) State House Green Power Purchase – The RFP is on hold because of the current constraints in the market due to RPS programs coming into full operation and the Federal PTC still not extended.

Outreach Programs

- 16) Smartpower – see update from Brian Keane below.
- 17) Think Energy – RECA Workshop for large consumers is tentatively being scheduled for October 7, 2004. Currently, the highlight of the workshop agenda is a panel discussion of the RECA CFD deal.

Email from Brian Keane, Smartpower, August 4, 2004:

Hi Nancy --

It's been a pretty exciting month for the CleanEnergyRI Campaign!

We achieved a major milestone this month when Narragansett Electric informed us that we have surpassed 1,000 customers of "Green Up" in Rhode Island. Specifically, we have 1157 Green Up Customers in the Ocean State. To give that number some context, Massachusetts — whose programs has been in operation for ten months, and which covers about three times the number of households, boast only 2,605 customers. Thus, in just four months we have achieved almost half as many customers as Massachusetts received in 10 months — and they started with a significantly larger customer base. As National Grid says, the only difference between the two programs, is the marketing campaign which is occurring in Rhode Island.

We are currently doing some research, but we believe these numbers make the Rhode Island program one of the fastest growing clean energy "switching" programs in the country.

Next week we will be issuing a press release trumpeting this major accomplishment. We will obviously be looking to coordinate this with RIREF, National Grid and hopefully the National Renewable Energy Lab (NREL).

Our final direct mail piece will go in the mail the end of this month and arrive in people's homes just after Labor Day.

Beginning that week we will once again go "in the field" with a follow up poll of Rhode Island residents. This poll is the promised follow up to our Benchmark Survey and will help us gauge consumer awareness of clean energy in Rhode Island since we began this campaign. As you recall, our two "deliverables" to the fund were to produce "customers" of "Green Up" and to show some increase in awareness of clean energy among Rhode Island residents. We clearly have achieved the first deliverable, we will await the results of this poll before determining the success of the second.

Also, we have recently completed a series of focus groups (separate from the RIREF funding) which gives us some solid research on the effectiveness of the advertisements we all created through the Clean Energy States Alliance. I am anxious to share this information with you and the folks at the fund.

We are currently adding a link to www.cleanenergyRI.com to satisfy the fund's interest in promoting solar power. That link should be operational by the end of the week. Also, we are creating a "handout" post card which merges the best attributes of the "GreenUp" Ballot with our Clean Energy RI Direct mail. I hope to send you a PDF of this hand out by the end of next week.

Finally, I am anticipating presenting our findings of this campaign to the RIREF Board in September. I am confident that we have an exciting story to tell; with real successes and some significant "lessons learned". I think you will find the conversation extremely helpful. Based on that, we will want to begin discussions with you and the RIREF about continuing our efforts in Rhode Island. I think you will see that we have created some dramatic momentum in the state, and we are excited to continue this effort forward.